(d) The details of the proposed Joint Venture Companies are as follows :

(i) The Joint Venture with General Electric Company, USA is for Repair and carrying out after-Sales-Servicing of GE designed Gas Turbines operating in India and in some other countries.

(ii) The Joint Venture with Siemens A.G., Germany is for carrying out, in India and in some other countries, Plant performance Improvement (PPI) of old Fossil Fuel Power Plants which are operating at Low Plant Load Factors (PLF) and having poor availability.

Advantages

Following are some of the advantages likely to accrue :

(i) Enhanced business for BHEL.

(ii) Availability of more power from existing ageing fossil fuel power plants at a lower cost and better utilisation of GE designed gas turbines.

(iii) Availability in India of the state-of-the-art tachnologies for the after sales servicing business would lead to increased customer satisfaction.

(e) Does not arise.

Losses to Oriental Insurance Company

488. SHRI BANWARI LAL PUROHIT : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have ordered any inquiry into the losses suffered by the Oriental Insurance Company Limited during 1995-96;

(b) if so, the factors responsible therefor;

(c) the time by which the inquiry report is likely to be submitted to the Government; and

(d) the other steps proposed to be taken to bring this company out of red?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir.

(b) The company has reported that a net loss of Rs.45.97 crores was incurred by them during the financial year 1995-96. This is mainly on account of an expenditure of about Rs.121 crores incurred by them towards the wage revision to all classes of employees, increase in gratuity liability, and the additional liability towards the recently introduced pension scheme to their employees, which was given retrospective effect from 1.1.1986. Besides, on account of increase in the premium income of the company on net basis, the reserve strain for unexpired risk has also gone up by about Rs. 67 crores.

(c) Does not arise.

(d) The impact of wage revision, and the introduction of pension scheme which was given retrospective effect, necessitated payment of arrears, which is a one time liability. The impact will be substantially less in the succeeding years. Besides, the performance of the company is continuously monitored by the Board of Directors of the company which inter-alia includes, the Chairman of a nationalised bank, a representative of the General Insurance Corporation and a Government nominee.

Import of Newsprint

489. SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government propose to reintroduce the actual user condition on import of newsprint to encourage consumption of domestic paper;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLIRAMAIAH) : (a) to (c). There is presently no proposal under consideration to amend the existing Policy for the import of newsprint which has been recently subjected to tariff regulations.

Performance of Banks

490. SHRI K.P. SINGH DEO : Will the Minister of FINANCE be pleased to state :

(a) the performance of different public sector commercial banks during each of the last three years and in 1996 so far;

(b) whether some of the Commercial banks are incurring huge losses;

(c) if so, the details thereof during the above period, year-wise; and

(d) the steps taken to improve the performance of the loss making banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). The Profits & Losses of Public Sector Banks during last three years i.e. 1993-94, 1994-95 and 1995-96 (latest available) is given in the enclosed statement. (Minus sign indicates losses.)

(d) Banks have been advised to strengthen their credit appraisal machinery and exercise close supervision and control over advances. In the documents containing performance obligations and commitments, nationalised banks have been asked to prepare action plans on the following key areas :-

(i) Improvement in Organisational set up.